

CONSUMER PRICE

INDEX

REPORT

AUGUST 2008

MANITOBA
BUREAU OF STATISTICS

RIGHT ANSWERS

RIGHT NOW

September 23, 2008



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CONSUMER PRICE INDEX – AUGUST 2008

PERCENT CHANGE - ALL ITEMS INDEX

AUGUST 08/AUGUST 07

AUGUST 08/JULY 08

MANITOBA	3.4	0.0
CANADA	3.5	-0.2

The Manitoba all items index rose 3.4% in August 2008 compared with August 2007, up from the July annual rate of 2.6%. Canada's annual rate of price increase in August was 3.5%, up from its July rate of 3.4%.

Chart 1 presents a summary of price changes for Manitoba and Canada over the last two years. The method of calculation shown in Chart 1 is the most widely used, and is often referred to by the media as the **"inflation rate"**. It is based on the percent change between the current month and the same month the previous year.

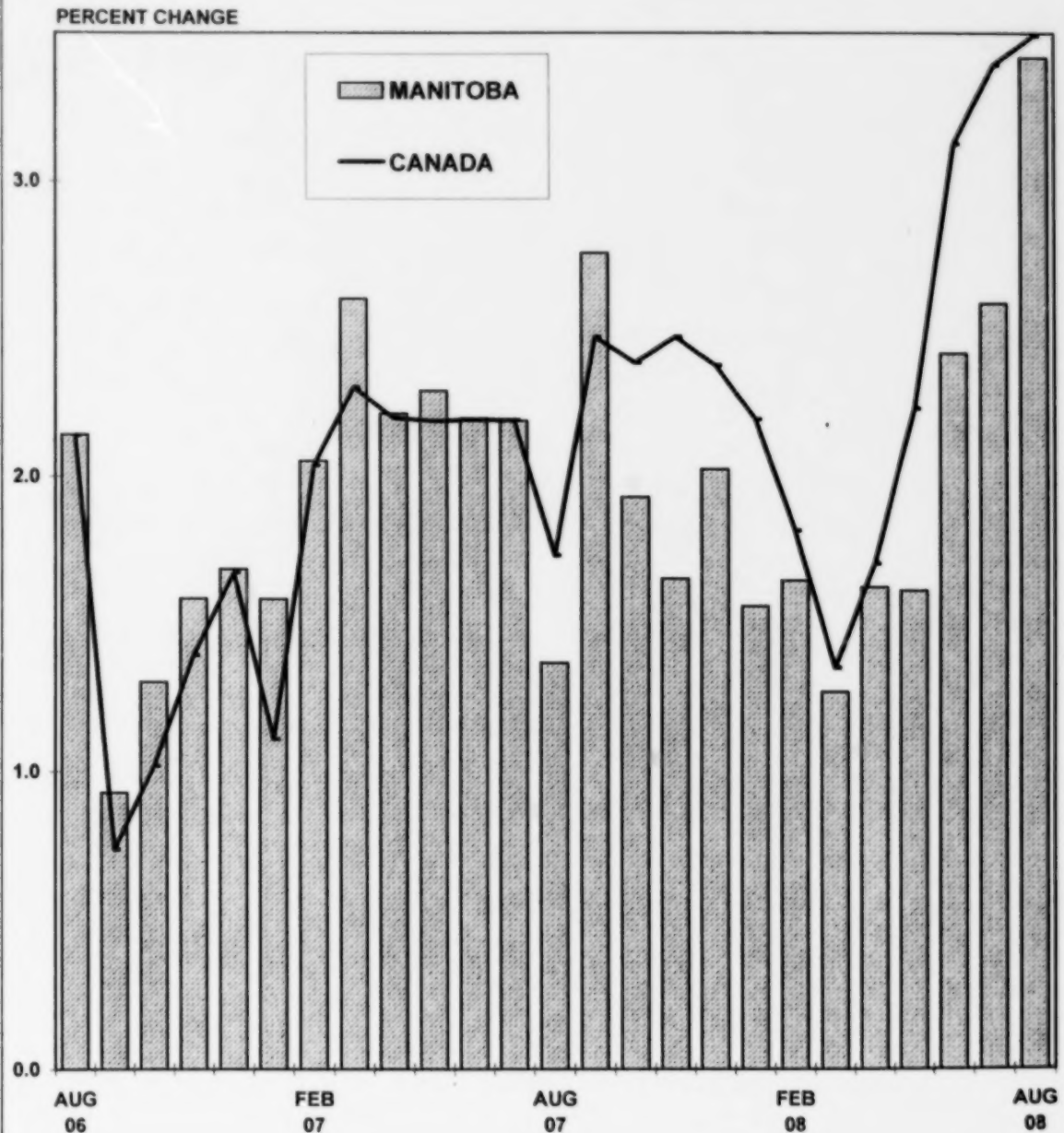
Chart 2 shows that Manitoba's annual inflation rate of 3.4% in August was the fourth lowest rate among the provinces. Prince Edward Island recorded the highest increase at 4.8%, while New Brunswick recorded the lowest rate at 2.6%. As seen in table 4, the Winnipeg all items increase was 3.4% in August, up from an annual rate of 2.6% in July.

Between August 2007 and August 2008, Manitoba saw lower prices for the purchase and leasing of passenger vehicles, recreational equipment and services (excluding recreational vehicles), home entertainment equipment - parts and services, property taxes (including special charges), furniture, reading material and other printed material (excluding textbooks), as well as children's clothing (including infants). These declines were offset by higher prices for gasoline, food purchased from restaurants, passenger vehicle insurance premiums, replacement cost, bakery products, and inter-city transportation.

On a monthly basis, the Manitoba all-items index was static in August, following a 0.5% increase in July. Items recording lower prices last month included gasoline, fresh vegetables, men's clothing, non-alcoholic beverages, women's clothing, telephone services, as well as preserved fruit and fruit preparations. These declines were offset by increases in natural gas, food purchased from restaurants, purchase and leasing of passenger vehicles, processed meat, bakery products, and personal care supplies and equipment. As shown in table 1, nationally the all-items index declined 0.2%, following a 0.3% increase in July.

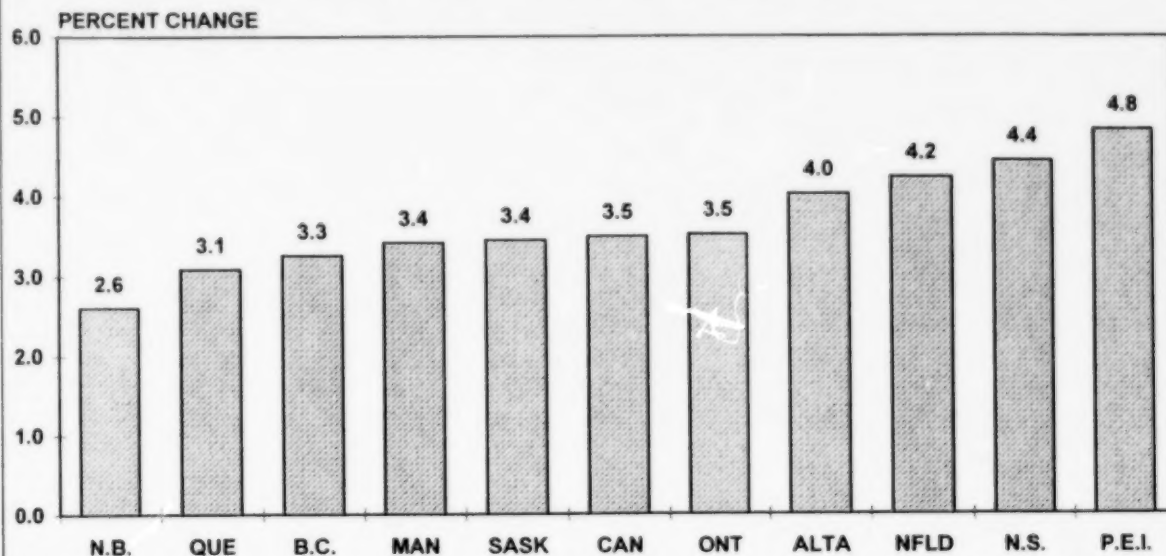


**CHART 1. CONSUMER PRICE INDEX
MONTHLY INFLATION RATE
MANITOBA AND CANADA**





**CHART 2. CONSUMER PRICE INDICES
PERCENT CHANGE FROM AUG 07 TO AUG 08
ALL ITEMS: CANADA AND PROVINCES**



**CHART 3. CONSUMER PRICE INDICES
PERCENT CHANGE FROM AUG 07 TO AUG 08
MAJOR COMPONENTS: MANITOBA**

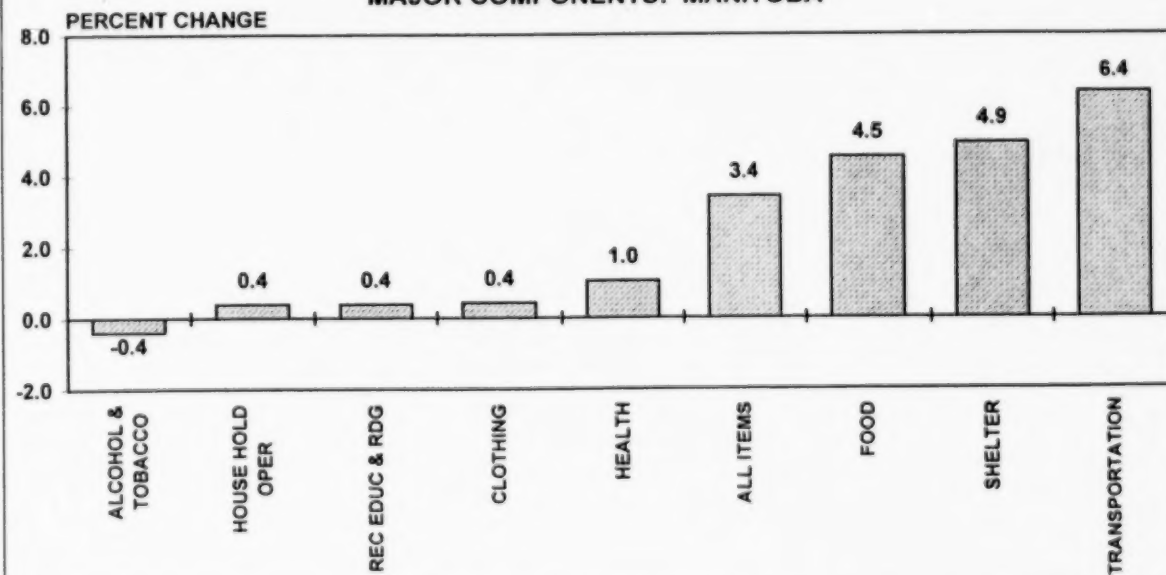




TABLE 1: CONSUMER PRICE INDICES FOR AUGUST 2008

(2002 = 100)

	MANITOBA					CANADA				
	AUG 08	JUL 08	PERCENT CHANGE	AUG 07	PERCENT CHANGE	AUG 08	JUL 08	PERCENT CHANGE	AUG 07	PERCENT CHANGE
<u>MAIN COMPONENTS:</u>										
ALL ITEMS	115.0	115.0	0.0	111.2	3.4	115.6	115.8	-0.2	111.7	3.5
FOOD	117.8	117.1	0.6	112.7	4.5	116.8	116.5	0.3	111.8	4.5
SHELTER	121.6	121.0	0.5	115.9	4.9	123.8	123.3	0.4	117.6	5.3
HOUSEHOLD OPERATIONS AND FURNISHINGS	104.6	104.6	0.0	104.2	0.4	104.4	104.4	0.0	103.5	0.9
CLOTHING AND FOOTWEAR	93.7	94.1	-0.4	93.3	0.4	93.7	93.3	0.4	95.4	-1.8
TRANSPORTATION	123.8	125.1	-1.0	116.4	6.4	123.1	125.7	-2.1	116.3	5.8
HEALTH AND PERSONAL CARE	107.7	106.6	1.0	106.6	1.0	109.3	108.5	0.7	107.6	1.6
RECREATION, EDUCATION AND READING	103.7	103.7	0.0	103.3	0.4	103.5	103.2	0.3	102.9	0.6
TOBACCO AND ALCOHOL	126.2	125.9	0.2	126.7	-0.4	127.5	127.6	-0.1	126.1	1.1
<u>SPECIAL AGGREGATES:</u>										
ALL ITEMS EXCL. FOOD	114.5	114.5	0.0	110.9	3.2	115.4	115.7	-0.3	111.7	3.3
ALL ITEMS EXCL. FOOD AND ENERGY	109.6	109.4	0.2	108.0	1.5	110.5	110.4	0.1	109.2	1.2
ENERGY	159.9	162.4	-1.5	137.4	16.4	164.0	169.1	-3.0	136.4	20.2
GOODS	111.6	111.7	-0.1	108.8	2.6	111.5	112.1	-0.5	107.7	3.5
SERVICES	118.8	118.6	0.2	113.9	4.3	119.6	119.4	0.2	115.6	3.5

DATA SOURCE: STATISTICS CANADA

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TABLE 2: CONSUMER PRICE INDICES FOR AUGUST 2008

(2002 = 100)

	ALL ITEMS					FOOD				
	AUG 08	JUL 08	PERCENT CHANGE	AUG 07	PERCENT CHANGE	AUG 08	JUL 08	PERCENT CHANGE	AUG 07	PERCENT CHANGE
MANITOBA	115.0	115.0	0.0	111.2	3.4	117.8	117.1	0.6	112.7	4.5
<u>WESTERN PROVINCES</u>										
SASKATCHEWAN	117.0	116.9	0.1	113.1	3.4	117.1	115.9	1.0	111.7	4.8
ALBERTA	124.1	123.3	0.6	119.3	4.0	116.6	115.4	1.0	112.0	4.1
BRITISH COLUMBIA	114.0	114.2	-0.2	110.4	3.3	114.1	113.9	0.2	109.8	3.9
<u>EASTERN PROVINCES</u>										
ONTARIO	114.8	115.1	-0.3	110.9	3.5	117.1	117.0	0.1	111.9	4.6
QUEBEC	113.5	114.1	-0.5	110.1	3.1	117.6	117.4	0.2	112.5	4.5
<u>MARITIME PROVINCES</u>										
NEW BRUNSWICK	114.3	114.9	-0.5	111.4	2.6	119.0	118.8	0.2	113.9	4.5
NOVA SCOTIA	117.7	117.8	-0.1	112.7	4.4	120.2	119.0	1.0	114.7	4.8
PRINCE EDWARD ISLAND	119.3	120.0	-0.6	113.8	4.8	119.1	118.6	0.4	114.7	3.8
NEWFOUNDLAND/LABRADOR	115.8	116.3	-0.4	111.1	4.2	115.2	115.8	-0.5	109.7	5.0
* MANITOBA RANK			8		4			7		5

DATA SOURCE: STATISTICS CANADA

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* Ranking is done in ascending order from the lowest to the highest

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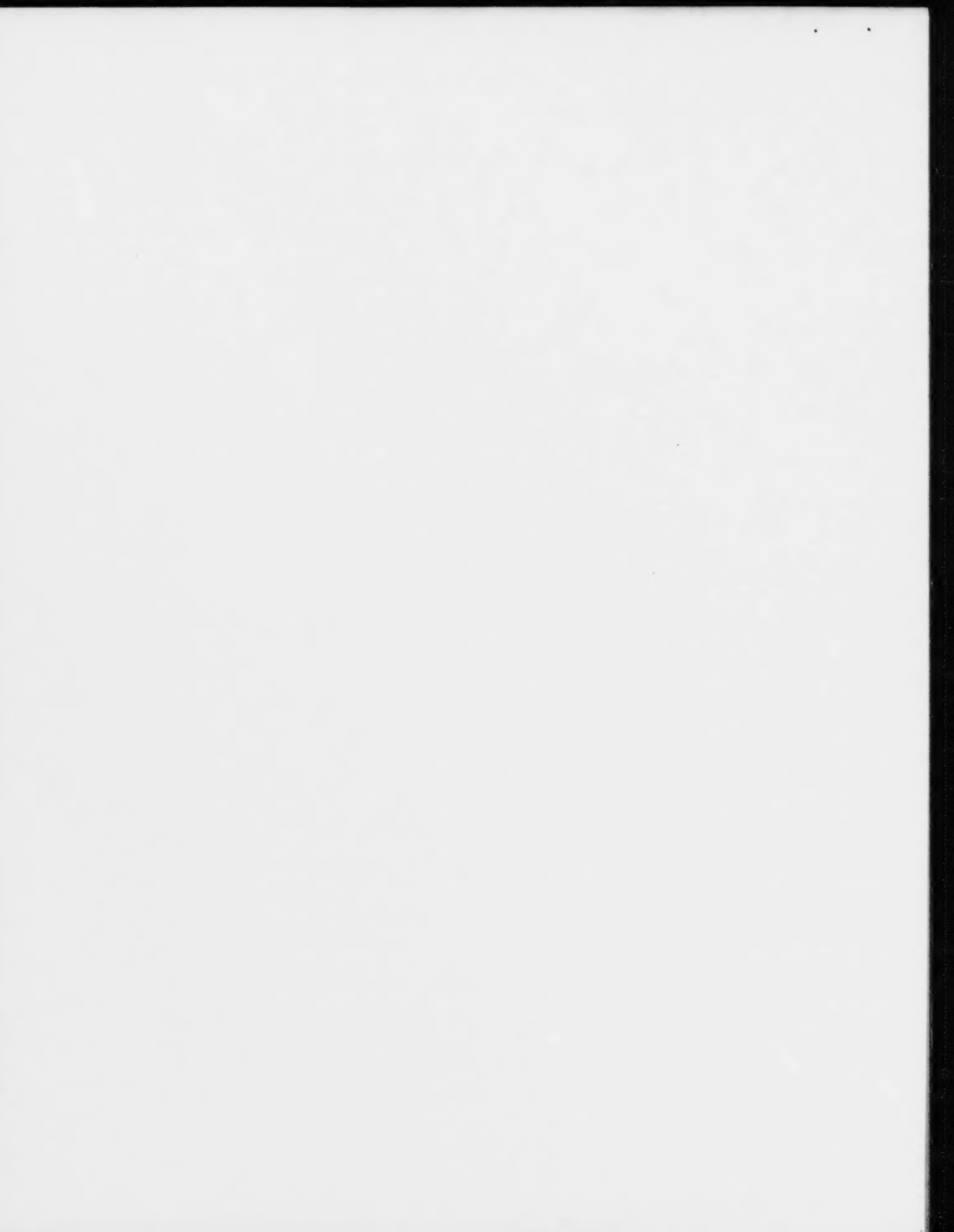


TABLE 3: PERCENT CHANGE COMPARISONS, MANITOBA AND CANADA
(AS OF AUGUST 2008)

MAIN COMPONENTS	(1) CHANGE FROM SAME MONTH LAST YEAR		(2) CURRENT ANNUAL RATE OF CHANGE		(3) 12 - MONTH ANNUAL RATE	
	MANITOBA	CANADA	MANITOBA	CANADA	MANITOBA	CANADA
ALL ITEMS	3.4	3.5	5.4	3.5	2.0	2.4
FOOD	4.5	4.5	12.4	7.9	1.5	1.8
SHELTER	4.9	5.3	6.5	7.4	4.3	4.3
HOUSEHOLD OPERATIONS AND FURNISHINGS	0.4	0.9	1.9	0.4	0.2	1.1
CLOTHING AND FOOTWEAR	0.4	-1.8	3.0	3.0	-2.3	-1.5
TRANSPORTATION	6.4	5.8	4.7	-1.6	3.2	3.4
HEALTH AND PERSONAL CARE	1.0	1.6	4.6	2.6	0.4	1.2
RECREATION, EDUCATION AND READING	0.4	0.6	0.8	2.4	0.9	0.8
TOBACCO AND ALCOHOL	-0.4	1.1	0.6	0.3	1.5	2.2
<u>SPECIAL AGGREGATES:</u>						
ALL ITEMS EXCL. FOOD	3.2	3.3	4.3	2.8	2.1	2.6
ALL ITEMS EXCL. FOOD AND ENERGY	1.5	1.2	2.6	0.7	1.1	1.4
ENERGY	16.4	20.2	15.3	14.9	10.2	11.7
GOODS	2.6	3.5	5.9	4.0	0.4	1.3
SERVICES	4.3	3.5	4.5	3.1	3.9	3.5

DATA SOURCE: STATISTICS CANADA

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NOTE: THERE ARE SEVERAL WAYS TO MEASURE THE ANNUAL PERCENT CHANGE OF THE CONSUMER PRICE INDEX, COMMONLY REFERRED TO AS THE INFLATION RATE. THE ABOVE TABLE PRESENTS THREE DIFFERENT METHODS:

- (1) THE MOST COMMONLY USED METHOD OF REPORTING THE INFLATION RATE, BASED ON PERCENT CHANGE FROM THE SAME MONTH ONE YEAR AGO.
- (2) PROVIDES A MEASURE OF THE CURRENT ANNUAL RATE OF INFLATION. THE GROWTH RATE OVER THE PRECEDING THREE MONTHS IS CALCULATED AND THEN COMPOUNDED AT AN ANNUAL RATE. IT SHOULD BE NOTED THAT THESE CALCULATIONS HAVE NOT BEEN SEASONALLY-ADJUSTED.
- (3) COMPARES THE AVERAGE OF THE 12 MONTHS ENDING THIS MONTH WITH THE AVERAGE OF THE 12 MONTHS ENDING ONE YEAR EARLIER.

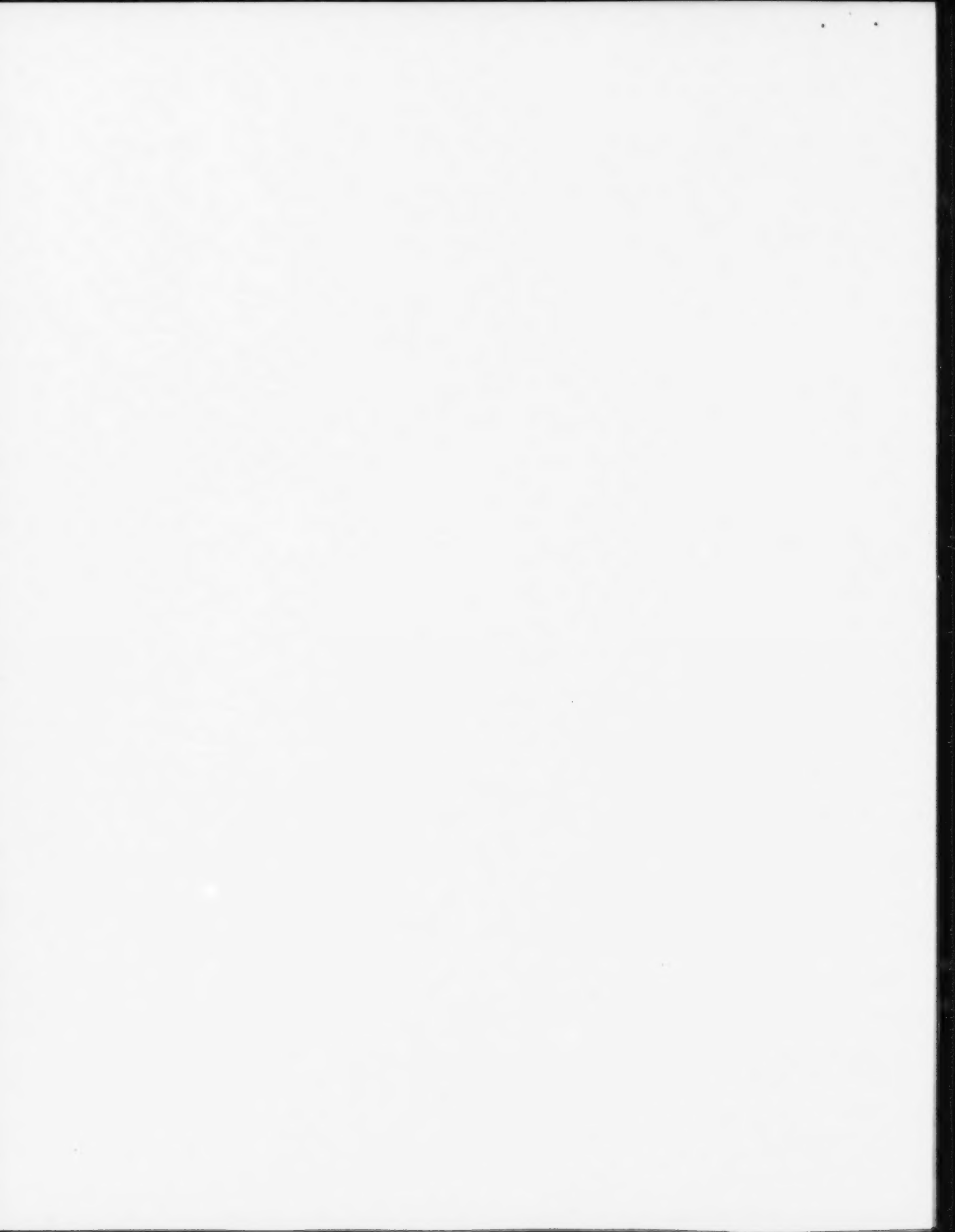


TABLE 4: CONSUMER PRICE INDICES FOR AUGUST 2008: ALL ITEMS

(2002 = 100)

	<u>AUG 08</u>	<u>JUL 08</u>	<u>PERCENT CHANGE</u>	<u>(1) CHANGE FROM SAME MONTH LAST YEAR</u>	<u>(2) 12 - MONTH ANNUAL RATE</u>
WINNIPEG	114.9	114.8	0.1	3.4	2.0
<u>WESTERN CITIES</u>					
REGINA	116.4	116.3	0.1	3.7	3.1
SASKATOON	118.1	118.1	0.0	3.5	4.4
CALGARY	124.4	123.0	1.1	4.3	3.7
EDMONTON	123.6	123.6	0.0	3.8	4.3
VANCOUVER	114.5	114.7	-0.2	3.5	2.1
VICTORIA	113.2	113.3	-0.1	2.9	1.4
<u>EASTERN CITIES</u>					
THUNDER BAY	111.9	112.1	-0.2	3.3	1.8
TORONTO	114.7	114.9	-0.2	3.7	2.4
OTTAWA	114.8	115.0	-0.2	3.5	2.1
MONTREAL	113.3	113.9	-0.5	3.0	2.1
QUEBEC	113.1	113.7	-0.5	3.0	2.1
<u>MARITIME CITIES</u>					
SAINT JOHN, N.B.	114.4	115.0	-0.5	2.7	2.4
HALIFAX	116.9	116.9	0.0	4.2	3.0
CHARLOTTETOWN	118.6	119.2	-0.5	4.7	3.3
ST. JOHN'S, NFLD	115.3	115.8	-0.4	4.2	2.6
* WINNIPEG RANK (OUT OF 16 CITIES)			15	6	3

DATA SOURCE: STATISTICS CANADA

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* Ranking is done in ascending order from the lowest to the highest

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NOTE: THERE ARE SEVERAL WAYS TO MEASURE THE ANNUAL PERCENT CHANGE OF THE CONSUMER PRICE INDEX, COMMONLY REFERRED TO AS THE INFLATION RATE. THE ABOVE TABLE PRESENTS TWO DIFFERENT METHODS:

- (1) THE MOST COMMONLY USED METHOD OF REPORTING THE INFLATION RATE, BASED ON PERCENT CHANGE FROM THE SAME MONTH ONE YEAR AGO.
- (2) COMPARES THE AVERAGE OF THE 12 MONTHS ENDING THIS MONTH WITH THE AVERAGE OF THE 12 MONTHS ENDING ONE YEAR EARLIER.

